

The Application of *Shura* in Malaysian Islamic Social Finance Agenda

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Abstract

Purpose: This paper highlights the fundamentals and significance of the principle of *shura* in the collaboration process between Islamic social finance key players in achieving a successful Islamic social finance agenda.

Design/methodology/approach: This study employs a qualitative approach via library research to obtain relevant data from selected databases, researchers, religious sources, books, reports, and electronic sources.

Findings: An insight into the relevance of *shura* in facing challenges scaling the Islamic social finance agenda

Research limitations/implications: The application of *shura* should be manifested in the development of the Islamic social finance agenda to achieve successful collaboration between Islamic social finance key players. An insight into the importance, challenges, and recommendations to achieve effective *shura* must be provided, shared, and applied by the relevant parties involved in the Islamic social finance agenda.

Practical implications: Effective *shura* application may lead to successful and beneficial collaboration between the stakeholders of the Islamic social finance agenda. More beneficial models and strategic action can be taken to protect the *maslahah* or public interest.

Originality/value: This study recommends further investigation on the measurement items of the practices of *shura* in Islamic social finance agenda to acquire in-depth knowledge and a better understanding of the achievement of *maqasid al Shariah*.

Keywords: Islamic social finance, *shura*, *musyawarah*, deliberation

Abbreviations

AIBIM	Association of Islamic Banking and Financial Institutions Malaysia
AIM	Amanah Ikhtiar Malaysia
BNM	Bank Negara Malaysia
IFAC	International Federation of Accountants
IFI	Islamic financial institutions

ISF	Islamic social finance
MAIWP	The Federal Territories Islamic Religious Council
MS	Maqasid al Shariah
NGO	Nongovernmental organisation
PRB	Principles for Responsible Banking
SDG	Sustainable Development Goals
SIRC	State Islamic Religious Council
VBI	Value Based Intermediation

Introduction

Sustainable development means that development must meet the needs of the present without compromising the ability of future generations to meet their own needs. This requires a balance between economic growth, social development, and environmental protection. Sustainable Development Goals (SDGs) are a global partnership. This means that all stakeholders, including governments, businesses, civil society, and individuals, have roles to play in achieving the goals to deliver sustainable development projects. Challenges to achieving SDGs are enormous and intensifies due to the ongoing pandemic, rising inflation and the cost-of-living crisis, planetary, environmental, and economic distress, along with regional and national unrest, conflicts, and natural disasters. As a result, overall progress towards the 2030 Agenda and the SDGs has been severely disrupted (HLPF, 2023).

However, in some respects, the prospect of achieving SDGs has improved by looking at the development of SDGs strategies and action plans of many local governments. Even the private sector is more engaged through SDGs-aligned business strategies. Islamic finance also plays a role in implementing the SDGs framework. Malaysia has been the recognised as the Islamic finance pioneer with the government and regulatory effort continuing to expand under common principles of *Maqasid al Shariah* (MS), as well as environmental, social, and governance principles in financing SDGs.

As stated in the International Federation of Accountants (IFAC) Content Series, “*Today, Malaysia boasts a comprehensive end-to-end ecosystem for Islamic finance that harnesses a variety of instruments, mechanisms and innovations to drive the goals linked to the SDGs. These include, but are not limited to, sukuk, waqf, charity crowd-funding, zakat, value-based intermediation and fintech.*” (Lim et al., 2022). While this article highlights the importance of sukuk as one of the financial instruments that support SDGs, social finance plays a greater role in promoting social resilience. Islamic social finance (ISF) serves as the pillar or foundation to further enhance the contribution of Islamic finance to achieve SDGs (Rosman et al., 2022).

There are a few unique qualities of social finance. First, its flexibility which increases the level of risk absorbency. The flexibility can be seen through more flexible repayment terms, minimal or no cost of financing attached, and improved access to funding for segments that faced challenges in assessing commercially driven financing. Second, the implementation partners supplement funding with structured programmes that upskill beneficiaries in financial management, business acumen, and other key areas that will enhance financial literacy, foster entrepreneurship behavior and empower beneficiaries to generate more sustainable income. Finally, social finance initiatives are often supported by impact monitoring and pay-it-forward mechanisms (Financial Sector Blueprint 2022-2026, 2022).

The development of the social finance agenda in Malaysia has been very vibrant and diverse with various players and social finance offerings. This is also supported by the Value Based Intermediation (VBI) function issued by Bank Negara Malaysia (BNM) that strengthened the roles and impact of Islamic finance on the financial industry, customer, community, government, and regulator (BNM Strategy Paper, 2018). As further elaborated by the Chairman of the Islamic Finance Committee of the Malaysian Institute of Accountants in 2022: *“The intended outcomes of VBI—which are reflected in the triple bottom line framework of people, planet, and profit/prosperity—are compatible with the sustainability agenda propagated by the SDGs and the Principles for Responsible Banking (PRB) promulgated in the United Nations Environment Programme Finance Initiative.*

The first five SDGs, which are related to people, are consistent with the maqasid of protecting life, intellect, and wealth. Meanwhile, the six SDGs (6, 7, 12, 13, 14 and 15) that are related to planet and environment are pertinent to realizing the maqasid of protecting life, lineage, and wealth. The other four SDGs (8, 9, 10 and 11) are concerned with the protection of wealth. VBI promotes a more holistic observation of Shariah by ensuring the offerings and practices of Islamic Financial Institutions (IFIs) not only comply with Shariah requirements but also achieve the intended outcomes of Shariah”(Mohamed, 2022)

It is noted that ISF can promote socio-economic empowerment. Tools such as *zakat*, *waqf* and *sadaqah* have been adopted and applied for so many years in Muslim and non-Muslim communities. However research and study on related issues are limited (Kuanova et al., 2021). The study also suggested a few research questions including building sustainable ISF ecosystem and SDGs and Islamic finance. Malaysia has seen ventures of ISF agenda with a viable business proposition. There are collaborations among diverse stakeholders and implementation partners. This partnership has benefited much in ISF agenda in Malaysia. However, there was also conflicts such as between some local Muslims influential over humanitarian aid issues where even a minor difference in opinion can become a major issue that circulates rapidly in cyberspace and makes conflict resolution a challenge (Kamaruzzaman & Ariffin, 2021). Other obstacles such as regulatory restrictions, resources and expertise may also hinder an effective collaboration or discussion. A successful and sustainable collaboration in realising the ISF agenda can be related to the Quranic principle of *Shura*. From a critical review of the literature, this paper highlights the fundamentals and significance of the principle of *Shura* in the collaboration process and provides insights on its relevance to facing challenges scaling the ISF agenda.

Malaysian ISF Agenda

Many authors highlight that ISF is subjected to the established principle of *Shariah* thus its practices including instruments should be able to achieve MS. Instruments of ISF include *zakat*, *sadaqah*, *waqf*, *qard*, *kafala*, *Islamic microfinance*, *sukuk* and *takaful* can be used to achieve MS by fulfilling six essential matters which are (i) *deen* (religion), (ii) *nafs* (life), (iii) *nasl* (progeny), (iv) *aql* (intellect), (v) *maal* (property) and (vi) *ard* (honor). Such six essential matters can be protected and preserved through the ISF and its instruments (Mohd Zain & Engku Ali, 2017).

Social finance programme in Malaysia includes iTEKAD which was established by BNM. The iTEKAD programme combines the provision of business assets funded by social finance instruments (e.g., donations, social impact investment, *zakat* and cash *waqf*) with microfinance, supplemented with structured financial and business training. As of October 2023, Banks that

participate in iTEKAD are AmBank Islamic, Bank Islam Malaysia Berhad, Bank Muamalat, CIMB Islamic, Public Islamic Bank, RHB Islamic Bank, Bank Simpanan Nasional, Bank Rakyat, Agro Bank and SME Bank.

Another initiative by BNM is through the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM) which has called for Islamic banks' participation in collaborating and standardising *waqf* fund initiative action plan between Islamic banks and the State Islamic Religious Council (SIRC) in developing the potential of *waqf* and empower the economy of *ummah* in Malaysia. The myWakaf, is an inclusive economic instrument developed based on philanthropic value, designed to best serve all members of society particularly the underserved to obtain access to quality essential services and assistance in fulfilling their needs towards shared prosperity. The myWakaf initiative is a collective effort of six (6) Islamic banks that are the members of AIBIM to empower the community through *waqf* initiative. myWakaf participating banks include Affin Islamic, Bank Islam Malaysia Berhad, Bank Muamalat, Bank Rakyat, CIMB Islamic, Maybank Islamic, MBSB Bank and RHB Islamic Bank.

Collaboration can create synergy with various implementation partners. The act of building links between partners may lead to joining resources and opportunities. The Chairman of The Federal Territories Islamic Religious Council (MAIWP), Tan Sri Mohd Daud Bakar said that the synergy that exists between *waqf* in the Islamic financial system is able to create new opportunities in the socio-economic development of society, as well as being able to play a role and complement the socio-economic cycle if it is equipped with systematic and comprehensive management (BERNAMA, 2022).

As also stated in the Box Article Financial Sector Blueprint 2022-2026:

"...implementation partners generally supplement funding with structured programmes that upskill beneficiaries in financial management, business acumen, and other key areas (e.g., digital capabilities). These enhance their financial literacy, foster entrepreneurial behaviour, and empower the beneficiaries to generate a more sustainable income and improve their quality of life."

Among the parties that are actively involved in collaboration among diverse stakeholders and implementation partners to gain synergy are the SIRC, Amanah Ikhtiar Malaysia (AIM), *Agensi Kaunseling dan Pengurusan Kredit*, non-governmental organisations (NGOs) and fintech companies. This enhanced collaboration between the strategic partners and stakeholders will allow them to leverage on specific skills and infrastructure that are critical but not owned by any of the partners. The collaboration may strengthen various factors in the ecosystem such as collection, distribution, agents, platform providers, payment facilitators, fund managers, and underwriters (*Financial Sector Blueprint 2022-2026*, 2022).

Challenges of ISF

To strengthen the ISF, sufficient resources must be allocated to ISF activities to improve its effectiveness. This includes improving the human capital aspects of the social finance key players through adequate education and skills, as well as improving the supply of funds to distribute to the poor and needy. Collaboration between experts would be beneficial to improve the quality of the workforce given the lack of experience and knowledge in the areas of asset and operational management, real estate and finance that may result in underperforming *waqf* assets and low return of asset investments (PWC, 2021). These issues have been highlighted in

Malaysia (Khamis & Che Mohd Salleh, 2018) and Indonesia (Slamet Rusydiana & Devi, 2018).

Among the major challenges of managing *waqf* is the managers (*nazhir*) are not professionally trained and lack financial background (Khamis & Salleh, 2018). This caused delays in the operation and the reporting of *waqf* management was not done in a proper financial format. Therefore, there is an urgent need to provide sufficient training with relevant skills and knowledge to enhance the understanding of the cash managers in managing the *waqf* fund.

In Malaysia, the utilisation of philanthropic ISF instruments such as *zakat* and *waqf* seems to be restricted because of regulatory hurdles. This is since both *zakat* and *waqf* fall explicitly within the exclusive authority of the states. For this reason, some Islamic financial institutions have collaborated with respective SIRC when deploying *zakat* and *waqf* as part of their financial products or transactions. However, this collaboration could only happen provided that the states have given their consent. Should they choose to close the door for any cooperation, the respective states could not be blamed, for they have legitimate legal grounds to do so. Therefore, the sphere of applications for *zakat* and *waqf* remains limited (AIBIM, 2019).

As constructive collaboration with wider stakeholders, including those with no direct business relationship such as NGOs, societies and government may give positive impact as it can provide new insights, wider opportunity, and knowledge in improving business impact. Active engagement also may narrow the gap between stakeholders' expectation and business focus through better alignment. Masri (2021) has discussed the issues in *waqf* management such as involvement of IFI, government and private agencies in the *waqf* initiatives.

Shura as The Quranic Principle

Shura is an Arabic word which exactly means "consultation". The term *shura* is a noun which is taken from the Arabic work *shawara*. In Arabic, the word *shura* literally means the process by which honey is extracted from the hive (Mohiuddin & Islam, 2016). To understand the exact meaning of *shura*, it is essential to know *shara*, *yusharu* and *mushawrah* which means to show things. *Yusharuhu* means he consulted him; he sought his opinion of an advice; He discussed with him in an order to find out his opinion. *mushawarah* means, a good counsel or consultations. *shura* means, mutual consultation.

Shura is particularly important in the decision-making process through mutual consultation that provides restraint on management power and authority. *Shura* is restricted for issues which has a clear and precise injunction in Al Quran and *Sunnah* as the primary sources of *Shariah*. The output of *shura* also must not contradict to Islamic teaching (Al-raysuni, 2012; Mohiuddin & Islam, 2016). It is further stated in the article that the legal framework of participation in Islam can be derived from the Quranic verse:

"Those who answer to the command of their Lord and establish regular prayer and conduct their affairs by mutual consultations, who spend out what we bestow on them for sustenance" (Surah Al-Shura 42:38). It is clear from the verse that Islam does not support autocracy or absolutism and leader is accountable not only to Allah but also to the people he purports to serve.

The benefits of *shura* in general as stated by Al-raysuni (2012) are determining the correct or most correct course of action, release from the tyranny of subjectivity and selfish whims, preventing high-handedness and tyranny, teaching humility, giving everyone his or her due,

promoting an atmosphere of freedom and initiative, developing the capacity for thinking and planning, increased readiness for action and support, promoting goodwill and unity and willingness to endure undesirable consequences for a good solution. *Shura* may lead to better management, and ensuring peace, cooperation, coexistence and progress of the organization as well as positive impacts to the society (Mohiuddin & Islam, 2016).

Conditions for *shura* from the authoritative foundations laid during the days of Prophet and the rightly-guided caliphate. The foundations consist of the theoretical and practical gleaned from the examples set by the Prophet, his companions, and the rightly-guided caliph; the principles and aims of Islamic law; and the consultation-related systems and arrangements that have been implemented by Muslims over the course of their history and across the globe.

Shura is taking consideration the widest participation of the stakeholder (ISRA, 2011). This is also highlighted by Al-raysuni (2012) that we have to grant others a share in our own affairs as the essence of consultation. Through consultation we participate with others in thinking, planning, and managing. People owe each other to engage in this type of sharing, while those in positions of power and responsibility over others have a special obligation to allow those over whom they exercise such power to participate in the thinking, planning, and managing process. *Shura* should be practiced by a group of people and decision cannot be done by just one person (Mohiuddin & Islam, 2016). All members can express their opinion without fear and hesitation to achieve effective *shura*.

Shura takes into consideration present conditions and changes within the industry. Islam has not laid down a clear-cut system for the practice of consultation, this is consistent with its approach to the organizational aspects of all areas of life that are subject to evolution and change. This is in line with what has been stated by (Tahiri Jouti, 2019) that effective ecosystem in social finance requires the stage of upgrading the ecosystem where it should be accompanied by the main changes of the environment.

Shura considers the importance of knowledge in decision making process. The Prophet has set a practical example for the Muslim community in connection with both consultation and the pursuit of knowledge and education. This is further elaborated as qualified person to be consulted that requires integrity, knowledge, and experience. As God said to the Prophet, “*Take counsel with them in all matters of public concern; then, when thou hast decided upon a course of action, place thy trust in God*” (Surah al Imran 3:159). Consultation increasingly entails the exchange of knowledge and expertise and discussion of those aspects of an issue that will make possible proper assessment and planning. Consequently, a large and growing number of issues requiring consultation need to be referred solely to those most qualified to deal with them (Al-raysuni, 2012).

According to Al Mawardi the characteristics of the members of the *shura* according to Islam are (1) *Iman* (belief) (2) Ability to *Ijtihad* (research) (3) Knowledge of *Shariah* (4) Trustworthiness (5) Justice (6) Adulthood (7) Contemporary knowledge (8) Reliable man of believer (Mohiuddin & Islam, 2016). It is further elaborated that Islam entrusts two major groups to practice *shura*: (a) *Ahlal-hal wal-aqd* or Ulama who represent the community and perform a limited legislative function, and (b) *Ahl-al-ijtihad*, a group of Jurist who are qualified to deduce rules and regulations from the basic source of Islamic *Shariah* through the exercise of independent judgement and exertion.

Ultimately the decisions from the application of *shura* should aim to gain Allah's blessing. All processes must comply to *Shariah* and there is element of *tawakkul* after members come to a consensus and make decision.

Shura in ISF Agenda

Shura is a way of dealing with many issues concerning the interests of the public that cannot be resolved personally. In implementing ISF agenda, there are many obstacles faced by the key player such as lack of resources and expertise that may be resolved with the practice of *shura* (Masri, 2021). Among the parties that participate in managing social funds such as *zakat* are the SIRC. There are thirteen states in Malaysia, and 3 federal territories, each has a *Sultan* and a SIRC which acts as the responsible body for collecting and disbursing *zakat*. *Sultan* is the highest authority when it comes to the management of the religious council that oversees the operations of *zakat* institution. *Zakat* management is the responsibility of state through SIRC that is, a constitutionally protected constitutional state right (Migdad, 2019; Mahadi et al., 2018). *Waqf* comes under the State list of the Federal Constitution, it comes within the purview of the respective state governments to legislate and administer *waqf* lands within each state authority. The legal regime for the administration of *waqf* in Malaysia has seen the state SIRC being put in the position of sole trustee (*mutawalli/ nazhir*) of *waqf* properties in the state. *Waqf* properties in Malaysia can thus be said to have been put indirectly under state control through the state Islamic religious councils (Kader, 2015). The *waqf* system in Malaysia is governed by some laws, including the Federal Constitution of 1957, the National Land Code of 1965 (NLC), the Administration of Islamic Law (Federal Territories) Act 1993 (Act 505), the Selangor Wakaf Enactment (No. 7 of 1999), the Trustee Act 1949 (Act 208), the Malacca Wakaf Enactment 2005, the Negeri Sembilan Wakaf Enactment 2005 (Ravi & Redzuan, 2022). Therefore, any discussion or collaboration with SIRC are subject to the restrictions of regulation. Among challenges in managing *waqf* asset include no coordination among agencies i.e., the land office, SIRC, Department of Land and Mines, Local Authority and State authority. Issues in *waqf* land cannot be implemented due to lack of coordination.

In term of *zakat* management, most countries do not have official structure as compared to Malaysia that develop a system for collecting and redistributing *zakat* through state-centralised *zakat* institution. The establishment of *zakat* collection center in Malaysia is dictated by SIRC. Specific guidelines such as on *urf*, *kifayah* limitation and method of calculation are being issued by respective institutions. It is noted that *waqf* institution, government, *zakat* institution and IFI have their own objectives and restrictions. One party may have the funds, expertise, management officers or authority as discussed earlier. Differences in interests may lead to conflicts. The practice of *shura* can avoid conflicts as accepting the principle of *shura* or deliberation to build consensus is a matter of *aqidah* (Masri, 2021). The collaboration or consensus can be in the form of collaboration with IFIs, *zakat* institutions and *waqf* institutions. The practice of *shura* a mutual agreement can be achieved when all members in *shura* can deliver ideas and suggestions. In general, besides bringing people closer to each other, *shura* can also prevent divisions in society (Saladin, 2018). Requirement of attitude by someone to succeed deliberations explicitly found in al Quran:

“And by the Mercy of Allah, you dealt with them gently. And had you been severe and harsh hearted, they would have broken away from about you; so, pass over (their faults), and ask (Allah's) Forgiveness for them; and consult them in the affairs. Then when you have taken a decision, put your trust in Allah, certainly, Allah loves those who put their trust (in Him) (Al Imran:159)

With different objectives and risks associated with each party, effective discussion is a challenge. As communication is a prerequisite of *shura*, Muslim scholars such as Al-Ghazali and Hamka have made extensive efforts to outline the fundamental principles of effective communication, according to the Qur'an which are *qaulan sadidan*, *qaulam balighan*, *qaulan maysura*, *qaulan kareeman* and *qaulan ma'rufa* (Kamaruzzaman & Ariffin, 2021). Prophet Muhammad (pbuh) says that "Don't nurse malice against one another, don't nurse aversion against one another and don't be inquisitive about one another and don't outbid one another (with a view to raising the price) and be fellow-brothers and servants of Allah" (Muslim: 6216).

The meaning of *qaulan sadidan* is a wise word or true word. This is particularly in matters of orphanage, *descendants* and piety. Next, *qaulan ma'rufa* is good and precise words. It promotes benefits, good intentions, and the responsibility to bestow enjoyment or welfare on others. This includes forgiving wrongdoings and maintaining good attitudes and morals. *Qaulan balighan* is a clear or up word. *Communication* consists of qualities such as comprehensibility, coherence, and intelligibility, which have the potential to affect human thinking and emotion positively. Besides, *qaulan maysura* is an easy or light word that is understandable, concise, and precise so that it is easier for people to comprehend. *Qaulan layyinan* is a flexible or gentle word, friendliness, and forbearance. Finally, *qaulan karima* is an honest or noble word. It encourages communicators to use noble words when communicating and interacting. This protects individuals' feelings and shows deference and respect while at the same time one does not demean other people (Kamaruzzaman & Ariffin, 2021; Nurhasanah & Suherman, 2022).

The purpose of *shura* for consensus is to form a harmonious society, closely related and have a spirit of unity (Masri, 2021). Unity involves effort to establish peace and harmony by learning and appreciating our differences is important. Dialogue, discussion, and *musyawarah* are essential methods of resolving conflicting issues or relations, given that Muslim should be able to tolerate and endure *difficulty* with forbearance. Especially when the decision relates to *masalah ummah* and requires expertise from various fields. A successful ISF agenda requires assistance from expertise such as issues in managing *waqf* land where SIRC is lack of truly knowledgeable about issues of land. This obstacles may lead to delays and inaccurate and incomplete investigation and reporting (Ravi & Redzuan, 2022). As explained earlier, *shura* practices requires expertise with sufficient knowledge as a member of *shura*.

As we can see from the model of ISF instrument or the program such as iTEKAD, myWakaf, it consists of certain mechanism with support from infrastructure such as fintech. Fintech is the application of disruptive technology to traditional financial services, to achieve savings and optimise cost, time, and system efficiency. Moreover, Islamic fintech focuses on the use of technology to deliver Shariah compliant financial solutions, products, services and investments (Capital Markets Malaysia, 2021). The Malaysian government has identified Islamic finance and the digital economy as Key Economic Growth Activities under the Shared Prosperity Vision 2030 (SPV 2030) initiative. This builds the case for Islamic fintech to drive financial inclusion in Malaysia. This is very much in line with the ISF agenda. To adapt to the development of fintech, stakeholders of ISF must be willing and ready to change or accept a new model/new platform to remain relevant in current market conditions. As for commercial IFI should be able to commit themselves to social finance activities and at the same time efficiently manage cost and sustain in the industry. Willingness to change also essential in the practice of *shura*. Islamic legal maxim that can be the basis for change is "it cannot be denied that changes in rulings follow changes in time". This maxim indicates that rulings will change

if the customs change due to the change in people's need over time. The authority of the maxim is based on the verse in Al Quran, Surah al Anfal (8:65–66):

“O Prophet (Muhammad SAW)! Urge the believers to fight. If there are twenty steadfast persons amongst you, they will overcome two hundred, and if there be a hundred steadfast persons they will overcome a thousand of those who disbelieve, because they (the disbelievers) are people who do not understand. Now Allah has lightened your (task), for He knows that there is weakness in you. So, if there are of you a hundred steadfast persons, they shall overcome two hundred, and if there are a thousand of you, they shall overcome two thousand with the Leave of Allah. And Allah is with As-Sabirin (the patient ones, etc.)

The first verse of the Al Quran's injunction shows a proportion of 10:1 while the second verse reduces the proportion to 2:1. It is a command to remain steadfast in the face of mentioned odds. The “burden” in the last verse implies “obligation”. This change of injunction is not the result of abrogation (*naskh*) but in fact, it is a change of a rule on the basis of situational factors (Laldin et al., 2013). There is a consensus among scholars that rulings established based on changeable customs should change with the change of those customs. In the development of industry such as use of new method or approach, all members of *shura* need to adapt to the changes in order to remain relevant and able to solve issues being addressed (Rahman, 2018). It should be noted that legal rulings that are the fundamentals of the Shariah derived from Al Quran and sunnah can never be changed such as the commands and prohibitions. However, the means to implement and methods to apply these rulings could vary due to variance of times, places, and circumstances.

Islam promotes brotherhood and unity. Harmonization can be achieved through common objectives and mutual agreements. All efforts in the ISF are ultimately to achieve the objective of ISF agenda. Conflict among stakeholders might jeopardise the achievement of ISF objectives. As stated in the myWakaf website, the collaboration comes with mutual benefits, as for SIRC, waqf is the national agenda, financial resources of the development of existing *waqf* assets, creation of new *waqf* assets and constructive collaboration of strategic investment expertise from banks. Benefit for Islamic banks include value-based banking initiatives, provide opportunity to the customer to leverage on banking channel and empowering the economy of the *ummah*.

The application of *shura* also requires perseverance and diligence. From Aisha RA, that the Prophet SAW said: "Indeed Allah 'Azza Wa Jal is kind, when one of you does something, he should do it diligently."

Islam encourages its people to be diligent in every job done. This is because, working is one of the *wasilah* or ways to earn sustenance. In the Qur'an, Allah SWT has said: "*And say (O Muhammad): Do good deeds (of all that is commanded), then Allah and His Messenger and the believers will see what you do.*" (al Taubah:105). This relate to *itqan* as to increase motivation and performance of the staff (Murniyati & Dessyarti, 2023). *Diligence* is the symbols or signs of Islam. In the implementation of *shura* in ISF agenda, it is required to be sincere and earnest in every act of worship, our attitude and our lives based on the words of Allah SWT: "Say: Verily, my prayer and my worship, my life and my death, are only for Allah, the Lord who preserves and governs all the worlds." al-An'am: 162

Furthermore, trust also a prerequisite for successful collaboration which may be a challenge as companies often look as being profit oriented (Tahiri Jouti, 2019). In matters of public interest Prophet Muhammad (peace be upon him) always make decisions after deliberations with his companions to strengthen the hearts of the companions as well as learning the importance of deliberations for the benefit of *ummah*. As the hadith of the Prophet narrated by Abu Hurayrah: “There is no one who does more deliberations with his companions than the Prophet Muhammad SAW” (HR. *al Tirmidzi*) (Saladin, 2018). Shura should be carried out by capable and respected people who are trustworthy, to determine what is best for society.

Conclusion

The emphasis on *shura* principles can be practiced within governmental agencies at the national and state levels so that a decision can be reached together to promote the ISF agenda as an important element to support SDG and ultimately to achieve MS. There are ISF agenda such as in waqf that unable to be implemented thoroughly and effectively because of several obstacles including differences of opinion among the authorities and government and private agencies at the central and state levels. Appreciation of the *shura* principle will unify these differences.

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